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March 13, 2009

## **AGENDA ITEM 11**

### **TO: MEMBERS OF THE FINANCE COMMITTEE**

- I. SUBJECT:** The Enterprise Privacy and Security Office Report
- II. PROGRAM:** Enterprise Privacy and Security Office
- III. RECOMMENDATION:** Information Only
- IV. BACKGROUND:**

As you are aware, in August 2007 as part of the Board election process, printed information displaying personal data was inadvertently sent out, thereby creating the possibility that retired members may have been at risk for identity theft. In response to that event CalPERS established a Privacy Protection and Security Task Force to conduct a system-wide review of the way we manage participants' personal and confidential information. The Task Force was to develop immediate short term action recommendations on ways to enhance and secure our information security practices. The Task Force was chaired by the Deputy Executive Officer for Operations, with each business line and support area within CalPERS providing representation.

In January 2008, the Task Force retained the services of a consultant privacy and security firm to conduct an Enterprise Assessment of CalPERS' security practices currently in operation. The firm acknowledged CalPERS' commitment to the protection and security of its members and employers information assets but also recognized that there could be improvements in our Security and Privacy program. The consultant's final report in March 2008 included the following recommendations:

- Establish an Enterprise level Privacy and Security Program.
- Create an Executive level Privacy/Security Officer to manage the program. The Privacy and Security Officer would report directly to the Chief Executive Officer and would be a member of the CalPERS Executive Committee. The position would be responsible for the development of the strategic direction of the privacy and security program including the development of an overall security architecture.

- Further refine information privacy and security roles and responsibilities throughout the organization, thereby consolidating responsibility and accountability for all privacy and security issues.
- Consolidate and coordinate documentation of privacy and security policies, procedures, practices, guidelines, and reports; ensure documentation complies with current State of California information security policies.
- Develop an Integrated Privacy and Security Architecture and supporting documentation.
- Enhance enforcement of Privacy and Security policies and practices.
- Enhance security communication and awareness.
- Design a more effective organizational governance structure to improve decision making and accountability.

CalPERS has since created the Enterprise Privacy and Security Office and established a Privacy and Security Officer position within the Executive Office of CalPERS. The Privacy and Security Officer position was filled on January 12, 2009. This is the first report to the Finance Committee from the Enterprise Privacy and Security Office since that appointment.

**V. ANALYSIS:**

The attached matrix provides a status update from the Enterprise Privacy and Security Office.

**VI. STRATEGIC PLAN:**

This item is not a specific product of the Strategic Plan but is part of the regular and ongoing workload planned for the Enterprise Privacy and Security Office.

**VII. RESULTS/COSTS:**

N/A

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SHERI HOFER  
PRIVACY AND SECURITY  
OFFICER

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ANNE STAUSBOLL  
Chief Executive Officer

Attachment